

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
IP HOLDINGS, LLC,

Plaintiff(s),

- against-

SIERRA FASHION GROUP, INC.,

Defendant(s),
-----X

Index No.: 07CIV4848

**ANSWER TO AMENDED
COMPLAINT WITH
AFFIRMATIVE DEFENSES**

Defendant Sierra Fashion Group, Inc., (hereinafter "Sierra Fashion") by its attorneys, The Chatrath Law Firm, P.C., respectfully responds to the plaintiff's complaint as follows:

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph "1" of the complaint.
2. Admit the allegations contained in paragraph "2" of the complaint.
3. Denies each and every allegation contained in paragraphs "3" and "4" of the complaint, and respectfully refer all questions of law to the Court.
4. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "5," "6" and "7" of the complaint, and respectfully refer all questions of law to the Court.

ANSWERING COUNT I

5. Denies each and every allegation contained in paragraphs "8", "10", "11", "12", "13", "14", and "15" of the complaint, and respectfully refers all questions of law to the Court.
6. Denies each and every allegation contained in paragraphs "9", "16", "17", and "18" of the complaint.

ANSWERING COUNT II

7. In response to paragraph "19" of the complaint, this answering defendant repeats, reiterates, and re-alleges its responses to paragraphs "1" through "18" with the same force and effect as if same were set forth in full at this point.

8. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph "20" of the complaint.

9. Denies each and every allegation contained in paragraph "21", of the complaint and refers all questions of law to the Court.

10. Cannot admit or deny the allegations of paragraph "22" of the complaint.

11. Denies each and every allegation contained in paragraph "23", of the complaint.

ANSWERING COUNT III

12. In response to paragraph "24" of the complaint, this answering defendant repeats, reiterates, and re-alleges its responses to paragraphs "1" through "23" with the same force and effect as if same were set forth in full at this point.

13. Denies each and every allegation contained in paragraph "25", of the complaint and refers all questions of law to the Court.

14. Denies each and every allegation contained in paragraphs " "26", "27" and "28" of the complaint.

**AS AND FOR A FIRST, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

The complaint fails to state a cause of action upon which relief can be granted as against the defendant.

**AS AND FOR A SECOND, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

The plaintiff's action is barred by the Parole Evidence Rule.

**AS AND FOR A THIRD, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

The plaintiff's action is barred due to plaintiff's breach of its fiduciary duties to defendant.

**AS AND FOR A FOURTH, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

Plaintiff lacks standing to assert the claims set forth in the complaint.

**AS AND FOR A FIFTH, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

The plaintiff has failed to mitigate its damages.

**AS AND FOR A SIXTH, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

The plaintiff's action is barred by the doctrine of anticipatory repudiation.

**AS AND FOR A SEVENTH, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

The agreements, if any, relied upon by the plaintiff were specifically breached by the plaintiff.

**AS AND FOR AN EIGHTH, SEPARATE
AND COMPLETE AFFIRMATIVE DEFENSE**

Any failure by defendant to perform obligations under the agreement (which, in any event, is denied) is excused by plaintiff's failure to perform its own obligations to the defendant, which obligations were conditions precedent to performance by defendant.

TO: EDWARDS ANGELL PALMER & DODGE, LLP
Attorneys for Plaintiff
750 Lexington Avenue
New York, New York 10022
Telephone: (212) 308-4411

CERTIFICATION

I hereby certify that on July 20, 2007, I caused a copy of the within Answer to Amended Complaint with Affirmative Defenses to be served upon:

EDWARDS ANGELL PALMER & DODGE, LLP
Attorneys for Plaintiff
750 Lexington Avenue
New York, New York 10022

By depositing a true copy of same securely enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Post Office Department within the State of New York.

Dated: New York, New York
July 20, 2007

/S/
Sanddeep Chatrath (CH0843)